MINUTES
MICHIGAN STATE TRANSPORTATION COMMISSION WORKSHOP
October 27, 2005
Lansing, Michigan

Meeting noticed in accordance with Open Meetings Act, Public Act 267 of 1976.

Present:	Ted Wahby, Chairman Linda Miller Atkinson, Vice Chairwoman Maureen Miller Brosnan, Commissioner Vincent J. Brennan, Commissioner
Also Present:	Kirk Steudle, Chief Deputy Director Larry Tibbits, Chief Operations Officer Frank E. Kelley, Commission Advisor Marneta Griffin, Executive Assistant Jerry Jones, Commission Auditor Patrick Isom, MDOT Attorney General John Friend, Bureau Director, Highway Delivery John Polasek, Bureau Director, Highway Development Myron Frierson, Bureau Director, Finance and Administration Tim Hoeffner, Administrator, Intermodal Policy Susan Mortel, Bureau Director, Transportation Planning
Excused:	Robert Bender, Commissioner James R. Rosendall, Commissioner Gloria J. Jeff, Director

A list of those people who attended the workshop is attached to the official minutes.

Chairman Wahby called the workshop to order at 10:20 a.m. in the Bureau of Aeronautics Auditorium in Lansing, Michigan.

Kirk Steudle gave a PowerPoint presentation on Road and Bridge Warranties.

Setting the Stage
Warranties are derived from Public Act 79 of 1997 (effective July 28, 1997), which states "Of the amounts appropriated for state trunk line projects, the department shall, where possible, secure warranties of not less than 5-year full replacement guarantee for contracted construction work." In 2003 when Governor Granholm took office, her vision insisted on "meaningful warranties", with "meaningful" being the key word.

In dealing with warranties you have to ask, "What are you trying to solve?" Are you reacting to overall deteriorating roads, poor quality, or lemons? The bottom line is that it all comes down to risk.

With a consumer product the developer has the complete control from beginning to end. With a public product the developer has control to a certain point (midway), and then the contractor has control from that point until the end.

Manufacture warranties (bumper-to-bumper, limited warranty) are where the manufacture has complete control over the entire process from product inception to final production. Design, materials selection, application of the product, production sequencing, quality control and testing are all under the manufactures control. Public Works warranties are where the public agency controls the front half of the process, the design, application and materials selection. In most cases the agency staff determines the scope of the needed repairs. At the award of the contract, the construction contractor is in complete control over the materials selected to meet the specifications and the quality control to insure proper handling and placement. Within public works warranties are materials and workmanship warranties, which involve control of the production process, and performance warranties, which involve control of project development and production process.

When talking about warranties, you are talking about risk transfer (risk allocation in a low bid environment). Two options to consider: Option #1 for risk transfer (small step) involves transferring risk for workmanship from agency to contractor (a Materials and Workmanship (M&W) Warranty where the agency designs and approves materials for expected life, and accommodates fewer inspectors). Option #2 for risk transfer (larger step) involves transferring design and materials risk to contractor (a "Performance/No-Fault/No Excuse" Warranty which fundamentally changes the public works contracting mechanisms).

National Experience
Approximately 10 other states are engaged in warranty development and implementation: **Indiana:** 10-15 warranties (have done study and feel that warranty projects outperform non-warranties); **Wisconsin:** About 100 warranties (they select approximately 8 asphalt projects per year. Feel warranties outperform non-warranty projects. Selection process may be the reason); **Illinois:** About 24 warranties (no study done, no longer doing warranties); **Minnesota:** about 20 warranties (did a study and felt there was no difference, discontinued warranties); **Colorado:** 20-30 warranties (does not feel there is a difference between warranty and non-warranty projects); **New Mexico:** 1 project; **California:** 8 projects from 1993-2001 (decided in 2000 to do 30 more. So far projects are performing well); and **Florida:** about 200 warranties (no study done; uses guarantee or workmanship instead of warranty bonds).

Commissioner Brennan asked if warranties are all over the board in terms of what is being warranted.

Mr. Steudle answered yes. The timeframes and what is being warranted all vary by state.

Industry Perspective
Mr. Glenn Bukoski, Director of Technical Services for MITA (Michigan Infrastructure and Transportation Association) picked up this portion of the presentation.

From the industry perspective we see MDOT's warranty program as being deep rooted and widespread in its implementation. With in excess of 1,000 projects containing warranty

provisions, MDOT has aggressively incorporated warranty requirements in several key elements of their annual capital program. Warranties have been incorporated in both pavement and bridge Rehabilitation and Reconstruction (R&R) programs, as well as both the pavement and bridge Capital Preventive Maintenance (CPM) programs. Michigan's warranty efforts are well out in front of any other state and MDOT and the Michigan construction industry are looked upon as a "leaders in the development and implementation of construction warranties".

As a result of the positive direction and cooperative tone set at the completion of the June 2004 Strategic Forum on Quality and Warranties, the Warranty Task Force embarked on a very collaborative and productive 2-1/2 year partnership in shaping the evolution of the Michigan warranty program. Regular meetings of the Warranty Task Force continue and good progress has been made in working on resolution of long standing industry concerns and issues. In particular we want to recognize the positive progress made in the "warranty bond" area. For the industry, providing the required warranty bond becomes an issue when the warranted work on the project is constructed by a subcontractor of the prime contractor. As MDOT is only contractually bound to the prime contractor that prime contractor is required to provide MDOT the warranty bond for any and all warranted work on the project even if the warranted work was constructed by a subcontractor. This type of uncontrolled risk would not be desirable by anyone, not just contractors, especially when you consider the project may include multiple warranted items completed perhaps by multiple subcontractors, all which must be bonded by the prime. Contractors do not wish to carry the risk and liability of a warranty for work they had no hand in. Prime contractors would in turn require the subcontractor who was constructing warranted work to provide them a bond for that work, thus establishing a "double bonding" scenario on every project where the prime contractor was not constructing the warranted work. This "double bonding" has cost impacts to a project as two contractors are purchasing bonds for the same work, and perhaps, more importantly, it has bonding implications to the contractors as they accumulate bond liability, and in turn diminish their bond capacity which will eventually limit their ability to bid additional projects. Acknowledging and understanding this industry issue, MDOT leadership is working with industry in seeking FHWA approval of a "pass through bonding" policy. By allowing the subcontractor who is constructing the warranted work, to pass the warranty bond directly through to MDOT, the project expense of "double bonding" is eliminated, and the bonding capacity of multiple contractors is not impacted such that a diverse and competitive mix of bidders is maintained for bidding on future projects.

Another noteworthy accomplishment of the Warranty Task Force has been the development of the Warranty Use Guidelines. It is our intent that these guidelines will serve to insure that all owners' agencies will appropriately select projects for inclusion of appropriate warranty provisions. We are particularly encourage by the element of those guidelines that apply to the "Local Agency" (LA) community (the counties, the cities and villages), and how those transportation facility owners in following MDOTs lead, consider and make decisions about incorporating warranty provisions in their federal aid projects. Industry concerns with Local Agency initiatives to more aggressively incorporate warranty provisions were that those decisions might be misguided with unrealistic expectations and requirements. For example: a LA sewer reconstruction project that went to bid in the late 1990s with almost a single line statement that said the contractor would guarantee everything from the bottom of the trench to the top of the pavement for 50 years. From our perspective this was a misguided decision with unrealistic requirements and expectations. Industry believes the Warranty Use Guidelines will take us a significant step forward in insuring LAs are not misguided by requiring that LA

decisions related to incorporating warranty provision in their projects be driven by sound engineering judgment and good pavement management data. We further believe these guidelines insure an appropriate LA commitment and accountability for the administration and monitoring of any warranty project or program they initiate.

Intuitive and obvious from an industry, and in particular a contractor's perspective, in a warranty situation, a contractor wants to be held accountable and responsible for only the things that he has control over. "Public Works" warranties are not the same as "Manufacturer" warranties. Unlike a contractor building a road or bridge project, a consumer product manufacturer has ownership and complete control of the product development, design, and manufacturing processes. And because that product owner has complete control over the engineering and manufacturing process, product owners like GE and Whirlpool are able and willing to provide a product warranty that says that their washing machine "will turn on and wash clothes, and it will turn on and wash clothes for a given number of years". Contractors, who build public works projects, don't have first-person ownership of the product they build and more importantly they are not involved in, nor do they control the design of the product they build. A contractor on a public works project "builds the owners design", based on plans and specifications provided by the owner. Public works warranties are limited warranties where the contractor should be held responsible for only defects directly associated with their actions in putting the product together.

On a public works project, a road or bridge project, the contractor has no control over several variables that can significantly impact the performance of the product they build. As stated earlier, the contractor lacks control of the design. Owner agencies, like the Department, dictate the product design elements such as, pavement type and thickness, materials selection, specific product "strengths", and base parameters. Once the product, the roadway or bridge, is built and put in service, a contractor has no control over the traffic volumes, distribution of vehicles included in those volumes, or the loads associated with those volumes and distributions (all variables which can have a significant impact on the performance of the product).

Contractors obviously have no control over the weather conditions or the extreme climatic variability we experience here in Michigan. Contractors likewise have no control of the ground, the soil our products are built on; all naturally occurring variables that can have a significant impact on the performance of the product that contractor provides. Again, a contractor can and should only be held responsible for the results of his actions and what he controls.

From the industry perspective, warranties associated with public works projects like the road and bridge projects MDOT and the other LA owners put out for bid, are all about "risk" and the appropriate allocation of that risk. Warranty criteria used to determine when warranty work is required must be reliable and predictable and they should only measure defects or deficiencies attributable to the contractor's actions or under the contractor's control. Industry believes, based on our current experiences, that the current M&W warranty provisions used in the Rehabilitation and Reconstruction part of MDOT's annual capital program, for both road and bridge projects, with their 3-5 year warranty periods, properly define the warranty criteria, the condition parameters and thresholds, such that the risk associated with these warranty projects is appropriately allocated between the owner and the contractor. Likewise, industry believes that the current 2-year Capital Preventive Maintenance program warranty provisions also properly define the warranty criteria, the condition parameters and thresholds, such that the risk associated with those warranty projects is also appropriately allocated. We believe that greater than 5-year

terms on public works M&W warranties are inappropriate because the defects associated with the materials and a contractor's workmanship usually appear in the first 5 years of the products use. We believe that defects and deficiencies that appear beyond the 5th year of a products use are attributable to normal "wear and tear" and that these defects should be addressed through a products "routine maintenance" plan. To our knowledge even consumer product manufacturer warranties do not extend to include and cover activities that are considered to be routine maintenance in nature.

Finally, as it relates to the surety and bonding interests, longer term warranties of any type cause the bonding and surety companies significant concern as they have a increasingly harder time placing a value on the long term risk associated with those warranty terms.

Mr. Bukoski concluded by saying that his industry currently employs the best industry practices and methods to construct quality projects that are affordable and good values for the public. All of their respective contractors are willing to stand behind the products they build or the elements of work that are directly under their control.

Chairman Wahby asked how many jobs are under warranty in Michigan, and whether it made a difference.

Mr. Steudle answered that this will be addressed in the next part of the presentation.

History of Warranties in Michigan
John Friend picked up this portion of the presentation.

There have been 604 pavement warranties from 1996-2002. There was a gradual buildup from 1996 to 2000. Starting in 2000 over 90% of CPM projects warranted and 90% of superpave projects warranted. The M&W Warranties are for items under contractor control. How we establish what our appropriate levels for warranties are involve conducting distress thresholds based on MI Pavement Management Data. On a routine basis information is collected on the roadways (distress data), which gives an indication of how the roadway is performing. This gives us a standard measure to use in rating the system across the state. Those measures allow for assumptions of what the threshold criteria should be for your warranty that a contractor should have to meet. If there is a dispute with a contractor, a Conflict Resolution Team hears and attempts to resolve the matter. This Team consists of 2 DOT personnel, 2 contractors, and 1 third-party representative.

Chairman Wahby asked why the contractor wouldn't have some say in the design of the road if he is expected to warranty the work.

Mr. Friend answered that it speaks to the debate between the industry and MDOT in terms of performance warranties versus material and workmanship warranties. If a contractor is going to be responsible for performance, then he should be involved in the design.

Mr. Steudle interjected that a performance warranty has to include an element of the design that is under the contractor's control. In order to do that, we then have to fundamentally shift away how we design and administer public works projects.

Commissioner Brennan asked who bares the risk of going forward, and if it is easy to determine what went wrong and at what point.

Mr. Friend answered at times it is very easy to determine what went wrong. On the other hand, in civil engineering where we are continuing to learn, we are always discovering new things.

Commissioner Brennan further asked what the percentage was of those they were able to make a determination of where the fault laid.

Mr. Steudle answered that you would have to look at what the failure was, i.e. materials, sub-base, etc.

Commissioner Brennan asked if, in catastrophic failures, they were able to determine what happened.

Mr. Steudle answered yes. It's like reconstructing an airplane accident; we can get there, it just may take us a little while.

Commissioner Brennan then asked if it is pretty much irrefutable by the time a determination is reached.

Mr. Steudle answered that he would say irrefutable because there could be pieces that indicate an allocation in the workmanship. The contractor could say that he did things correctly, which will lead to more fact-finding.

Commissioner Brennan asked what percentage of the budget is spent in this area.

Mr. Friend stated that he would have to pull that information together and get it back to the Commission.

Commissioner Brennan stated that he would like to have that.

Mr. Steudle also stated that, on average about 3% of the warranty projects have needed some form of corrective action.

Continuing…
Our initial warranties were based on surface distress, and joint sealant integrity. The corrective actions specified were to remove and replace only multi-cracked slabs, and have the contractor repair to the threshold limit according to the distress data.

In 2002 performance warranty discussion we had regarding M-6, pavement versus grade issues (risk allocation), and bonding requirements. In 2003 Individual Industry Association discussions were held around the state with AUC, MRBA, MAPA, MCPA, MPA, MRPA, ACEC, as well as bonding companies, to try and identify the specific issues and solicit input for the future. In 2004 a Strategic Forum on Quality and Warranties was held to identify issues affecting quality road and bridge projects (developed a white paper of issues and suggested next steps). Also in 2004/2005 Task Forces were developed to address the most pressing issues identified in the

white paper. Finally, in 2005 this Warranty Task Force focuses on issues such as bonding requirements and costs, the elimination of bonding in lieu a guaranty, developing a warranty use matrix, and developing incentives for innovation that leads to longer lasting pavements.

Mr. Friend also spoke to the preliminary results on the evaluations of warranties. We are going back to the late 1990s/2000, where we let some projects out the door with warranties and some similar projects out the door that did not have warranties. We are looking at the distress data from each of the categories and start to compare results to look at whether we are having better performance with warranties, or will it be the same performance whether we have warranties or not. This takes time however.

Commissioner Atkinson asked, regarding the M-6 experience (the incongruity of the non-paving prime being held to a warranty), are there risk allocations going on.

Mr. Friend answered yes, and would venture to say that our feedback is typically that the prime contractor would bond with us, and our bond requirement is only for a portion of the pavement cost—not 100%. The prime contractor would then turn to the sub-contractor and say they want a bond from them, but for 100% of the pavement cost.

Commissioner Atkinson further asked, as far as the people in Michigan are concerned, as long as we have the warranty we want from the prime, do we care what their arrangements are among themselves.

Mr. Friend answered that there is a cost associated with that. If the prime is requiring the sub to provide a bond, that cost is passed on to the State.

Commissioner Atkinson then asked if there are any strings called warranties attached to projects involving federal funds.

Mr. Friend answered that the only thing FHWA requires is that they want to be able to review and approve the warranty program that the State has. Mr. Friend then deferred to Tom Fudaly, FHWA Engineering and Operations Manager, for further response.

Mr. Fudaly stated that FHWA has a regulation that allows the use of warranties. It is not advocated nor prohibited. If the State chooses to use warranties, FHWA is required to approve what's in there. We don't want the contractor putting an undue burden of maintenance on them. We don't want the warranty to have them doing routine maintenance work. We also don't want the warranty to be written so that it has the contractor warranting things that are beyond their control.

Commissioner Atkinson asked if the term control includes expertise—do we expect the contractor to know the performance qualities of the various products with which he or she deals.

Mr. Friend answered that expertise is handled through the contractor pre-qualification process and rules administered by MDOT.

Commissioner Atkinson stated that, from the industry perspective, there is a concern that about warranties based on not wanting to be responsible for anything that is not under our direct

control. Her concern is, if we are following that line of reasoning, can we assume that direct control includes the actual or constructive expertise that contractors are expected to have.

Mr. Steudle answered yes. In selecting the materials they use to meet the specifications, they clearly have the knowledge and expertise of those materials, or they can get the test results and analyze the material to determine if it meets the specifications.

Current Program

Kevin Kennedy, Lansing C&T Capital Preventive Maintenance Engineer, gave this portion of the presentation.

Warranty durations of the different fixes span from 2 to 3 years on Capital Preventative Maintenance and bridge projects (for chip seals [surface cracking, loss of cover aggregate, bleeding/flushing], micro-surfacing [rutting, raveling, de-bonding, bleeding/flushing], crack treatment, bridge painting, non-structural hot mix asphalt overlays, cold mill and hot mix asphalt resurfacing, and bridge deck overlays); 5 years on reconstruction and rehabilitation (for multiple course hot mix asphalt overlays on rubblized concrete, repaired asphalt or concrete, and crush and shape base; and for new/reconstructed pavement be it asphalt or concrete).

A sample warranty spec for hot mix asphalt reconstruction would consist of Rights and Responsibilities, Initial Acceptance, Warranty Bond, Evaluation Method, Warranty Requirements, and Results.

MDOT Rights and Responsibilities include the right to approve materials, methods and schedule for warranted work, perform routine maintenance, perform or have a third party perform emergency repairs, and notify contractor when the pavement condition exceeds the warranty requirements. Contractor Rights and Responsibilities include the right to provide written warranty work plan, request work permit thru utilities/permit process, and complete all warranty work within warranty period.

Initial Acceptance is a form signed by department and contractor, which includes the acceptance date of construction, is linked to both "open to traffic" and to pavement acceptance. This is when the warranty period begins.

A Warranty Bond is a bond issued by a surety, who guarantees that the warranty requirements will be met—looking at condition parameters (specific conditions that the warranty warrantied against), allowable segments, and cause of the condition.

Commissioner Brennan asked what the bonding requirements are on a warranty job (a $10 million project)—does it include the 2, 3 and 5 year warranty.

Mr. Kennedy answered that generally in the CPM program we require the bond be for 100% of the warranty work, especially for the smaller contracts. For larger projects (i.e., a $10 million project), what's being warrantied might be the pavement cost which won't cost $10 million so the bond won't cover the entire cost of the project. Generally it covers a percentage of what is being warranted.

Commissioner Brennan then asked what the percentage would be on a $10 million project.

Mr. Kennedy answered that it would be in the 5% range.

Mr. Steudle interjected that it would be 5% of the pavement cost.

Commissioner Brennan further asked, if it is a $10 million project, and the 5% would be $5 million in pavement cost, does the contractor have to post a $250,000 bond.

Mr. Steudle answered that it would be whatever 5% of the pavement cost is. That is figured on what the risk is of the pavement failing, will it be enough to cover going back to fix it, and what is the possibility of the contractor walking away from it.

Commissioner Brennan asked what the cost is for the contractor to post the $250,000 bond.

Someone in the audience answered that it depends on the company.

Mr. Friend also answered that it also depends on the strength of the contractor.

Commissioner Brennan asked, as years go by and they continue to bond work, are they burdened by additional bonding each year.

Mr. Frierson asked the Commissioner if he were referring to whether or not this is considered a liability to their balance sheet.

Commissioner Brennan answered no; more the reality of the progression of a contractor as they do the work and bond it, and it falls off in 5 years.

Mr. Kennedy answered that a lot of what's coming on is also coming off their books.

Mr. Steudle answered that there are some small to medium size firms that have voiced that opinion that says, "As I get more and more of these (bonds) out here, while I might be (from a financial stand point) able to do this", (from a company stand point) the owner is saying, "If a couple of these go wrong, I could lose my company."

Mr. Friend added that MDOT has done some financial assumptions on cost on what we feel the bond program is costing the State of Michigan. Over the whole warranty program some of the costs begin to add up significantly. If we could make changes in the bonding requirements, we could save ourselves a substantial amount of money over time.

Commissioner Brennan responded that in reality MDOT ends up paying those costs anyway. He asked if anyone has looked into insuring that risk.

Mr. Steudle stated that this is one of the issues brought up in the strategic forum on Quality Warranties—setting up an insurance pool. Discussion also pertained to how this would be funded and if this would be a pool that is controlled just by the contractors as their own self-insurance pool. Then the questions would be: how to get into the pool; is the good contractor paying for the poor contractor.

Continuing…
Asphalt condition parameters include transverse cracking, longitudinal cracking, alligator cracking, raveling, flushing, and rutting. Concrete condition parameters include transverse cracking, longitudinal cracking, spalling-concrete (broken or missing pieces of concrete), and cracking-concrete (corner cracking).

In the mid to late 1990's MDOT started placing warranties in projects. In fall 2000 discussions were held about tracking warranties; in 2001 the Statewide Warranty Administration Team (SWAT) was formed; summer 2002 the Statewide Warranty Administration Database (SWAD) was planned; November 2002 EDS started working on SWAD; and in November 2003 SWAD was rolled out. From November 2003 to present, MDOT personnel have been entering warranty data, becoming familiar with the database (improvements were made and the bugs worked out). Currently we have a consultant on board to manage/improve the database.

The database helps the department produce 3 monthly reports: **Statewide** (shows projects with warranties (active and closed), total warranties (active and closed), warranties in conflict resolution (different from corrective action needed), warranties requiring inspections (interim and final), and warranties with corrective action completed); **Region** (shows expired warranties (last 3 months), active warranty summary, warranties requiring inspections (interim and final), and warranty inspections due within next 3 months); **TSC** (shows expired warranties (within last 3 months), warranties requiring final inspections, warranties requiring interim inspections, and warranty inspections due within next 3 months).

Our warranty work has not been for complete failures. Corrective action has been on many different types of projects and for different types of pavement distresses. There have been 2.2% of the CPM projects needing corrective action, and 3.2% on R&R projects.

Commissioner Brennan asked if this was specific to warrantied projects.

Mr. Kennedy answered yes.

Warranty Task Force Actions and Future Opportunities
Mr. Steudle took over this portion of the presentation.

Bonding requirements (pass through bonding, and guaranty in lieu of bonding); consistent and proper warranty applications (implement Warranty Use Matrix), develop incentive for innovation that leads to longer lasting pavements, transfer appropriate risk with design responsibility, and overall quality improvement focus.

Commissioner Atkinson asked if there was a difference between a matrix and an algorithm, thinking that it suggests a different method of use that she didn't understand.

Mr. Steudle answered that it really is an algorithm but "matrix" was used when it was started because they were talking about a chart. As it was developed it turned into more of a decision tree.

Commissioner Brennan asked how many projects we are looking at to attach an incentive to.

Mr. Steudle answered that we are identifying that as a very small sliver, because we don't want to have our program 7 years into the future tied up with money that may have to be paid as an incentive.

Next Steps
Solicit comments from members of the Commission and present a draft policy at the November 17th meeting. Afterwards, come back in January 2006, or when the Commission feels comfortable, to adopt the policy.

Chairman Wahby stated that the members would get any questions or comments to Mr. Kelley.

No other questions were forthcoming.

Other Business
Chairman Wahby asked Greg Johnson to speak to concerns raised during the September 29th meeting (Exhibit B), relating to projects going on in the Metro Region.

Mr. Johnson addressed Item 2005-111 (Detroit and Dearborn, Wayne County—miscommunication regarding electric manholes); the extra was $450,000, but the net effect was $250,000 extra). When the shop drawings came out to the Detroit Public Lighting Department (DPLD), they rejected them as not meeting their standard. MDOT created an extra to go back and address their concerns about the height of the entrance core going into the manholes.

In regards to whether this was a design error and should this cost be passed along to another party, in this case it was not a design error. DPLD has numerous facilities in the City of Detroit. We meet with them during the design phase to determine what they have and what needs to be improved. Plans are submitted, reviewed and approved. That is what happened in this case, however, what was missed was that our detail showed we could have a longer or taller entrance core into the manholes. DPLD did not catch this. This is not what they generally like to see in their facilities. We have put them on notice that we have had a chance to look at it and they didn't bring it up during the design phase so this cost may go back to them. FHWA agreed to participate in this extra. This is why a decision was made to not make this 100% a City of Detroit cost.

Mr. Johnson stated that if the Commission desires, the issue can be revisited. He stressed that MDOT has to interact with them (DPLD) on a regular basis on projects. If they feel that they have been wronged, they can become a hindrance to us getting projects out and reviews done.

Chairman Wahby asked if this was initiated by us and if the FHWA was going to participate.

Mr. Johnson answered yes to both questions.

No questions were forthcoming regarding this issue.

Mr. Johnson addressed Item 2005-119 (Dequindre Yards—contaminated soil). Some of the mitigation that had to be done was actually on private property and was years old. Contamination probably existed before I-94 was in existence. This has been a rail yard and a traditional industrial area for a number of years. Ninety-nine percent of the contamination was on property that was already owned by MDOT. We do have ways to go back on a property owner who sells us property that is contaminated and we find out about it later. Generally we do enough investigation up front when purchasing the property to determine whether it is contaminated, and that is a part of the negotiation process.

No questions were forthcoming regarding this issue.

Chairman Wahby commented that, with the amount of projects MDOT went through last year, and what we've gone through this year, MDOT has done an excellent job.

No further comments were forthcoming.

ADJOURNMENT

There being no further business to come before the Commission, the Chairman declared the workshop adjourned at 12:12 p.m.

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Frank E. Kelley
Commission Advisor